

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 2001-246-C - ORDER NO. 2001-1051

NOVEMBER 13, 2001

IN RE: Application of Claricom Networks, Inc.,	)	ORDER APPROVING
Claricom Holdings, Inc., Staples, Inc., Stacom	)	TRANSFER OF
Holdings, LLC and Platinum Equity, LLC for	)	ASSETS/OWNERSHIP AND
Approval of the Acquisition of Claricom	)	WAIVER OF FORMAL
Networks by Stacom Holdings.	)	HEARING

This matter comes before the Public Service Commission of South Carolina ("Commission") on the Application filed by Claricom Networks, Inc., Claricom Holdings, Inc., Staples, Inc., Stacom Holdings, LLC and Platinum Equity, LLC, Inc. ("Claricom" or the "Applicant") requesting Commission approval of the transfer of ownership of Claricom, held by Claricom Holdings, Inc. (Claricom Holdings), to Stacom Holdings, LLC (Stacom Holdings) which took place on August 23, 2001. The Application was filed pursuant to S.C. Code Ann. Section 58-9-310 (Supp. 2000) and the applicable regulations of the Commission. Subsequent to the filing of the Application, Claricom requested a waiver of a formal hearing and disposition of the Application.

Claricom formerly was a wholly-owned subsidiary of Claricom Holdings, Inc. and a Delaware corporation which has received authority to do business in the State of South Carolina. Claricom was granted a certificate of public convenience and necessity by this Commission to provide interexchange telecommunications services in the State of South Carolina in Docket No. 97-082-C, Order No. 98-47. In addition, the Commission

granted Claricom a certificate of public convenience and necessity to provide competitive local exchange services in Docket No. 20000-0283-C, Order No. 2000-766.

On March 27, 2001, Claricom Holdings, Staples, Inc. (the sole stockholder of Claricom Holdings), Stacom Holdings and Platinum Equity, LLC (Platinum) entered into a Purchase and Sale Agreement (the Agreement). As of August 23, 2001, Claricom was converted to a limited liability company and all of the outstanding membership interests in Claricom were transferred from Claricom Holdings to Stacom Holdings. As a result of this transfer, Claricom became a wholly owned subsidiary of Stacom Holdings whose ultimate parent company is Platinum. Claricom has remained a separate operating company following the acquisition and continues to operate under the certificates granted by this Commission in Dockets No. 97-082-C and 2000-0283-C.

All technical aspects of Claricom's service are being handled in the same manner and by the same individuals who provided technical support for Claricom prior to the transfer. The management resources of Claricom have been augmented by the transfer, as the officers and principals of Stacom Holdings and Platinum possess many years of telecommunications and business experience. Platinum Equity, the ultimate parent company, was listed as #326 in the 2000 Forbes 500 Biggest Private Companies list and ranked #10 in Business Week's 1999 Information Technology Annual Report of the 20 Leading Private Info Tech companies.

By letter dated August 9, 2001, the Commission's Executive Director instructed Claricom to publish a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to provide

notice of the Application to any interested parties and to advise interested parties of the manner and time in which to file pleadings to participate in the docket. Claricom filed Affidavits of Publication as proof that it had complied with the instructions of the Executive Director. No Petitions to Intervene, letters of protest, or comments were received by the Commission with regard to the instant Application

**REQUEST FOR WAIVER OF HEARING**

Subsequent to notice of the Application being published and after the return date expired with no intervention or opposition, Claricom requested that the matter be scheduled for final disposition by the Commission at its next weekly meeting which was scheduled to take place on Tuesday, October 16, 2001. The parties waived their right to a hearing in the matter. Along with the request for a waiver of the hearing, Claricom filed verified testimony to support the Application. The matter was brought then to the Commission for consideration.

Upon consideration of Claricom's request for final disposition at a regularly scheduled Commission meeting and the waiver of its right to a hearing in the matter, the Commission finds that expedited review should be granted. The Commission finds that notice of the Application was properly afforded to the public and that no interested person sought to become a party to the proceeding. The Commission finds that procedural due process was afforded in this matter and further finds that Claricom made a knowing waiver of a formal hearing. Therefore, the Commission will consider the Application in the context of its regularly scheduled weekly meeting, with court reporter present, and for purposes of the expedited review, the Commission will deem the

examination of the Application and verified testimony during the course of the Commission's regularly scheduled meeting with court reporter present as a hearing on this matter.

**EXAMINATION OF THE APPLICATION AND VERIFIED TESTIMONY**

According to the Application and the verified testimony of William D. Savage, President, Claricom Networks, LLC, formerly Claricom Networks, Inc., Claricom was granted a certificate of public convenience and necessity to provide interexchange telecommunications services in the State of South Carolina in Docket No. 97-082-C. In addition, he testified that this Commission granted Claricom a certificate of public convenience and necessity to provide competitive local exchange services in Docket No. 2000-0283-C. Mr. Savage testified that in accordance with the Purchase and Sale Agreement on March 27, 2001 between Claricom Holdings, Staples, Inc. (the sole stockholder of Claricom Holdings), Stacom Holdings and Platinum Equity, LLC (Platinum), Claricom became a wholly-owned subsidiary of Stacom Holdings whose ultimate parent company is Platinum. He further testified that Claricom had been converted on August 23, 2001, to a limited liability company and all of the outstanding membership interests in Claricom had been transferred from Claricom Holdings to Stacom Holdings.

He testified that following the acquisition, Claricom has remained a separate operating company. He said the only change has been the conversion of Claricom from a corporation to a limited liability company and the transfer of the ownership interests. Mr. Savage said the transfer has had and will have no adverse effect on customers in South

Carolina, and was transparent to such customers. He said Claricom's South Carolina customers have experienced no change in the company name, address, or contact information. He further stated that the services (or the accompanying rates, terms and conditions) offered by Claricom to South Carolina customers has not changed as a result of the transfer. Mr. Savage stated that Claricom formerly was a wholly-owned subsidiary of Claricom Holdings, (Claricom Holdings) and a Delaware corporation. He also stated that he is responsible for overseeing Claricom's daily operations and that he possesses more than fourteen years of experience in all aspects of the telecommunications business, including development of billing systems and support, sales, marketing, provisioning, customer service, carrier relations, credit and collections, networks operations and legal and regulatory issues.

Upon review and consideration of the Application, the verified testimony of Mr. Savage, and the applicable law, the Commission hereby issues its findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. Claricom is a Delaware corporation whose parent company is Platinum Equity, LLC, also organized under the laws of Delaware.
2. Claricom was authorized to provide interexchange telecommunications services in South Carolina in Docket No. 97-082-C, Order No. 98-47.
3. Claricom was authorized to provide competitive local exchange services in South Carolina in Docket No. 2000-0283-C, Order No. 2000-766.

3. On March 27, 2001, Claricom Holdings, Staples, Inc. (the sole stockholder of Claricom Holdings), Stacom Holdings and Platinum Equity, LLC entered into a Purchase and Sale Agreement. Claricom was converted to a limited liability company and all of the outstanding membership interests in Claricom were transferred from Claricom Holdings to Stacom Holdings. As a result of this transfer, Claricom became a wholly-owned subsidiary of Stacom Holdings, whose ultimate parent company is Platinum.

4. Claricom continues to operate under the certificates granted by this Commission in Dockets No. 97-082-C and 2000-0283-C.

5. Claricom's South Carolina customers have experienced no change in the company name, address, or contact information.

6. The asset transfer will be a seamless transaction to Claricom's South Carolina customers.

7. Additionally, Claricom will continue to offer the same services (accompanying rates, terms and conditions) to its South Carolina customers.

8. Claricom has the experience, management capability, and financial resources to provide services in South Carolina.

#### **CONCLUSIONS OF LAW**

1. Based on the above Findings of Fact, the Commission hereby determines that the Application filed by Claricom requesting Commission approval of the acquisition of Claricom Networks, held by Stacom Holdings, Inc., by Stacom Holdings, LLC will not adversely affect the public interest, and therefore, the Commission approves the requested asset transfer.

IT IS THEREFORE ORDERED THAT:

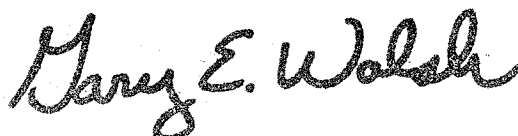
1. The joint Application of Claricom Networks, Inc. (Claricom), Claricom Holdings, Inc., Staples, Inc., Stacom Holdings, LLC and Platinum Equity, LLC, for approval of the acquisition of Claricom Networks held by Claricom Holdings, Inc. to Stacom Holdings, LLC is hereby approved.

2. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)